

PUBLIC EMPLOYEES RETIREMENT BOARD

Employee Investment Advisory Council

100 North Park

Helena MT 59601

April 6, 2006

Kathy Samson; Council Chair with the following in attendance, called the meeting to order:

Council Members:

Tom Schneider, Labor Organization Representative

Tom Bilodeau, Labor Organization Representative

Robert Bugni, Board of Investments Representative

Paula Stoll, State Employee Representative

Angela McDannel, State Employee Representative

Mary Spaulding, State Employee Representative

Ron Alles, Local Government Employee Representative

James Helgeson, Local Government Employee Representatives

Pam Fleisner, School District Employee Representative

Jim Christnacht, Retired Public Employee Representative

Council Members who were excused:

Kevin McRae, University System Representative

Katharine Harris, Local Government Representative

Council Members who left early:

Ron Alles, Local Government Employee Representative

Tom Schneider, Labor Organization Representative

Others in attendance are as follows: MPERA staff: Roxanne Minnehan, Melanie Symons, Carolyn Miller, Rob Virts, and Joel Thompson.

HOUSEKEEPING ITEMS

Tom Schneider moved to accept the minutes of the March 8, 2006 EIAC meeting; Angela McDannel made the second. The motion passed with ten votes in favor.

PUBLIC COMMENT

A document was submitted to the council from a member of the 457 Plan requesting Neuberger Berman Genesis not be discontinued due to high long term returns. The member expressed concern about the Investment Policy Statement serving the interests of plan participants, the frequent turnover in funds options, and the liquidation of holdings when a fund is losing money. The member requested participants be informed of proposed changes before the deliberations and decisions are made so that they could make meaningful comments.

INVESTMENT POLICY STATEMENT REVIEW

A draft of the amended Investment Policy Statements was presented. Kathy will enhance the language to reflect two levels of fund review, remove roadblocks, and to soften current language such as “must”. Kathy will separate items 1-6 into more quantitative - qualitative categories.

REQUEST FOR PROPOSAL & TIMELINES

Mary Spaulding and Tom Bilodeau volunteered to be on the RFP committee. Either Katharine Harris or Jim Christnacht will assist. EIAC will consider bundled and unbundled bids with potential in house services. The RFP committee will work on record keeping and administration prior to the next EIAC meeting. Discussion on the level of education will continue at the next EIAC meeting. The new contract must become effective July 1, 2007

457 DEFERRED COMPENSATION PLAN STABLE VALUE GUIDELINES

PIMCO REQUEST FOR MODIFICATION

Paula Stoll moved to modify the existing investment guidelines for the stable value account to allow PIMCO to utilize emerging markets as indicated in Exhibit B Investment Guidelines. Mary Spaulding made the second; the motion passed unanimously.

PENDING WORK

- 1) Investment Policy Statement Review
- 2) Request for Proposal
- 3) Howard Biggs of Arnerich Massena & Associates, Inc. will present the 457(b) & 401(a) fund search results
- 4) Investment Options between the plans
- 5) 457 Plan survey

CLOSING BUSINESS

EIAC will meet tentatively May 10th or May 19th. Kathy Samson adjourned the meeting.